THE SECOND DAY.

13th March, 1923.

The Assembly met at 11-30 A. M. on Tuesday, the 13th M 23.

The consideration of the subjects, as per the list distributed to the Members on the previous day, was taken up.

I. FINANCE.

1. State Finance.

Mr. Narayana Pillai Kunjan Pillai (Member, Municipal Council, Colachel) stated that the average annual income of the people of the State, who were mostly agriculturists, was low, as compared with the average earnings of the people in other countries, and that it was the absence of statistics in regard to that matter that led the Government to impose heavy taxes on the agriculturists. While nothing had been done in pursuance of G. O. No. 2847, dated 15th June, 1907, ordering an agricultural and industrial survey of the country with a view to find out the economic condition of the people, fresh taxes were being imposed on them. He observed that the revenues of the State had already increased abnormally, especially under land revenue, excise, registration and stamps, and that money from other sources such as customs and railways should be found to meet the demands of a progressive administration. He was of opinion that the sum of Rs. 40,000, fixed as compensation for loss of import duty under the Interportal Trade Convention of 1040 M. E., could not be considered sufficient, in view of the large increase in the value of the foreign dutiable articles imported into the country at present, and that it was highly necessary to revise the terms of the Convention as early as possible. Further, steps should be taken for the production in the State itself of all the tobacco, opium and ganja required for local consumption, as such a step would not only add to the revenues of the State but also afford a means of livelihood to many poor people. The State was a great loser in that matter, as, under the present arrangements, the Government were not getting their legitimate dues from ganja. As regards the railway, the Member said that the State should derive more income from that source, and that it was not at all satisfactory that, unlike Cochin under the revised arrangement, the State should have no right to call for and examine the accounts of the South Indian Railway Company.

The Member then touched upon the question of effecting retrenchments in expenditure. In alluding to the recent revision of salaries the Member said that at least one branch of the State service was twice reorganised in one and the same year, and added that that was not the best way of effecting retrenchments. He was of opinion that what had been done recently could not be considered sufficient, and pointed out that there was scope for reduction in the higher ranks of the public service, as for instance in the Police and Excise Departments. As regards the Police Department, he observed that there was no necessity to have the Assistant Superintendents and the high-paid Inspectors of Police and that the administration of that department could well be carried on by having only District Superintendents of Police and Sub-Inspectors as of old.

In regard to the observation of the Financial Secretary to Government in the Legislative Council that he could discharge the duties of that post in addition to his duties as Account Officer, the Member said that the duties of the Financial Secretary did not seem to have been satisfactorily attended to, since the question of reducing expenditure and increasing revenue was not receiving the requisite scrutiny at his hands.

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As regards the Standing Finance Committee recently constituted by Government, the Member said that he was not fully convinced of its utility, seeing that it was a purely advisory committee.

Dewan's reply.—Last year and the year before the last, I requested the Members who intended to speak upon general subjects, like the one which you have taken up this time, to give me some idea in advance as to the points on which you proposed to speak. I regret that you have not given me this facility even this year. You have touched upon a number of things of a very general character and you have made a number of assertions. You will excuse me, if I say that, in regard to certain statements made by you, you will find on further examination that they are not borne out by facts. You say that one department underwent two reorganisations in the course of one year. I am not aware of any such reorganisation. Again, you say that we are not getting, for ganja, the whole of the profits that are due to us, while as a matter of fact we are getting the whole of the profits under an arrangement made since I came to Travancore. In regard to some of the other statements you have made, I am not in a position to give a detailed reply now. They require a certain amount of examination and that needs time. You have practically covered the whole ground of administration.

You spoke of fresh taxes. I do not know of any proposal to impose any fresh tax in Travancore now, and so there is no occasion to talk of this now, so far as I know. You must also remember, as I pointed out in my Address last year, that after the advent of the reformed Legislative Council any matter involving fresh taxation will ordinarily come up before that body.

Then again you spoke about the large increase in the revenues of the State. That there has been an increase cannot be denied, but when it is put forward as an abstract statement, its significance cannot be understood easily. No doubt there is an increase in revenue, but we will have to see whether that increase has been abnormal or whether it is only an automatic and natural increase. Before a satisfactory reply can be given, it will also be necessary to see how the revenues in other States similarly conditioned have been faring. These are matters in regard to which dogmatic answers cannot be given at once.

You have referred to what you consider to be the unsatisfactory position of the State in regard to its railways and have stated that Cochin has been able to modify the original arrangement it had with the South Indian Railway Company in regard to its railway. I am not aware that any such modification has been made. As a matter of fact, the position of Cochin is altogether different from ours. The Cochin State owns its railway now and only its management and working are with the Railway Company. That is not the case with Travancore.

Member.—They have the power to scrutinise the accounts of the railway.

Dewan.—Only 8 days ago I had a talk with the Comptroller of Accounts, Cochin, and I asked him what sort of powers they had in regard to that railway. He said : "We have absolutely no powers. The Railway Administration sends us returns annually or half-yearly". So even there your statement is not correct. That does not, however, mean that we should keep quiet and not try to effect changes for the better. But effecting changes in matters which have been finally settled once is not easy.

2. Certain suggestions for improving the income of both the Government and the people.

Mr. P. J. Kurien (Member, Nominated) referred with satisfaction to the Dewan's assurance that no fresh tax would be imposed. The diminishing closing balance was an undesirable feature of the State's finance, and if that was to continue, there was the possibility of new taxes being levied. The Member was of opinion that, in spite of the recent endeavours to curtail expenditure on service heads, there was room for furthur retrenchment, and suggested the appointment of a Retrenchment

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